

**REGISTER OF
ENTERPRISE AGREEMENTS**

ENTERPRISE AGREEMENT NO: EA01/311

TITLE: Challenge Disability Services Ltd Enterprise Agreement 2001

I.R.C. NO: 2001/5972

DATE APPROVED/COMMENCEMENT: 26 September 2001

TERM: 36 months

**NEW AGREEMENT OR
VARIATION:** New

GAZETTAL REFERENCE: 16 November 2001

DATE TERMINATED:

NUMBER OF PAGES: 6

COVERAGE/DESCRIPTION OF

EMPLOYEES: Applies to all of Challenge Disability Services full time and part time employees

PARTIES: Challenge Disability Services -&- A Kemp, K Matthews, L Gordon and M. Shildman.

CHALLENGE DISABILITY SERVICES LTD ENTERPRISE AGREEMENT, 2001

1. TITLE OF AGREEMENT

This agreement shall be known as the Challenge Disability Services Ltd Enterprise Agreement, 2001.

2. ARRANGEMENT

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3. APPLICATION OF THE AGREEMENT

This agreement is between Challenge Disability Services and its full-time and part-time employees.

4. RELATIONSHIP TO PARENT AWARD

This Enterprise Agreement shall be read and interpreted wholly in conjunction with the *Social and Community Services Employees (State) Award ("the Award")* and provided that where there is any inconsistency, the Enterprise Agreement shall take precedence unless otherwise specified.

5. SALARY SACRIFICE

Challenge Disability Services and a full-time or part-time employee may reach an agreement to salary sacrifice up to \$14,000 of the employee's real wage to be implemented as follows:

- (a) A proportion of the employee's salary will be received by the employee as money, and a proportion in the form of a fringe benefit being the amount salary sacrificed less 30% of the tax saving as described in clause (j).



- (b) A copy of the Agreement shall be made available to the employee, provided that the contents of the employee's salary package will remain confidential to the parties.
- (c) Challenge Disability Services shall ensure that the structure of any package complies with relevant taxation laws. This includes ensuring compliance with any ceiling on the amount of salary that may be packaged, and acceptance of any Fringe Benefit Tax ('FBT') liability arising out of an agreed salary package.
- (d) Expense items claimed should be principally applicable to, or the direct responsibility of the employee.
- (e) Expense items claimed each fringe benefits tax year must only be for items purchased in that fringe benefits tax year.
- (f) An expense item that may be claimed as a tax deduction may not be claimed as a fringe benefit.
- (g) In order to claim an expense as a fringe benefit an employee who has entered into a salary package under this clause must provide original tax invoices in order to claim the expenses as a fringe benefit.
- (h) It is intended that no employee who enters into a salary package agreement will suffer a net detriment in his or her terms and conditions of employment. As such "the Award" rate will be used to calculate earnings including but not limited to normal hours, shift allowances, public holidays, annual leave, sick leave, long service leave, workers compensation payments, occupational superannuation and annual leave loading.
- (i) The amount to be salary sacrificed will be on the gross amount of pay.
- (j) The amount to be salary sacrificed will be split between the fringe benefit to be received by the employee and 30% of the tax saving resulting from packaging which will be received by Challenge Disability Services. Annexure A details an example of a calculation for an employee. The tax saving (Item 4) is the difference between the current net income (Item 2) and the net income after salary sacrifice (Item 3).
- (k) The tax rates used to calculate the tax saving will be those applicable to an individual taxpayer, as set out in the Australian Taxation Office Pay As You Go withholding tax tables, current at the start of each fringe benefit year. If during the course of the year tax rates are changed and the effect of this is to reduce the tax saving calculated the amount received by Challenge Disability Services will be reduced so as to ensure the employee receives 70% of the actual tax saving.



- (l) The current gross income used to calculate the tax saving (Item 1) will be an estimate of the income expected in the proceeding year and will be based upon the previous years income taking into account any factors which will affect earnings.
- (m) Any fringe benefits not utilised by the end of each fringe benefits tax year cannot be carried forward to the next year.
- (n) At the end of each fringe benefits tax year if either the employee has not utilised their available fringe benefits or they have not earned the gross income which the tax saving was based upon, the amount received by Challenge Disability Services will be reduced so as to ensure the employee receives 70% of the actual tax saving.
- (o) An employee entitled to workers compensation payments will not be able to have this payment packaged. As such whilst these payments are being received salary packaging for this employee will be suspended and will resume when the employee no longer receives these payments
- (p) Challenge Disability Services will provide two (2) review dates each year being 1st April and 1st October at which time the employee may elect to change the proportion of their salary to be received as a fringe benefit. Other review dates may be provided at the discretion of Challenge Disability Services.
Notwithstanding this an employee can at any time alter the amount being packaged so as to meet any pressing personal circumstances.
- (q) Salary packaging is only offered on the strict understanding and agreement that in the event existing taxation law is changed regarding FBT or personal taxation agreements and that change may impact on this agreement, all salary packaging arrangements may at the discretion of Challenge Disability Services be terminated, providing at least one (1) month's notice is given.
- (r) In the event the employee ceases employment with Challenge Disability Services this agreement with that employee will cease as at the date of termination.
- (s) Upon termination of an employee's employment all entitlements due on termination shall be paid at the award rate. Any outstanding benefit still due under this agreement upon termination shall be paid on or before the date of termination.

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6. GRIEVANCE AND DISPUTES SETTLING PROCEDURE

The parties to this agreement are committed to resolving grievances through open communication and to achieving a prompt resolution of any grievance. A grievance shall be dealt with in the following manner:

- a) The employee(s) shall attempt to solve the grievance with their immediate supervisor.
- b) Should the matter remain unresolved, or where discussion with the immediate supervisor would be inappropriate, the employee(s) will notify the Chief Executive Officer or a nominated person of the grievance.
- c) The Chief Executive Officer or a nominated person shall arrange a meeting with the employee within 7 days of the notification, or as otherwise agreed to attempt a resolution of the grievance.
- d) The employee will be entitled to have a union representative or nominee present during any of these stages.
- e) Should the matter remain unresolved the matter may be referred to the Industrial Relations Commission of NSW for conciliation and arbitration, in accordance with the *Industrial Relations Act 1996*.
- f) While the above procedure is being followed, work will continue normally where it is agreed there is an existing practice, but in other cases work will continue on the manager's instruction. No party will be prejudiced as to the final settlement by continuation of work.

7. TERM OF AGREEMENT

This agreement shall operate on and from the date of approval by the Industrial Relations Commission of NSW and shall remain in force for a period of three (3) years.

8. DURESS

This Enterprise Agreement has not been entered into under duress by any of the parties.

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9. SIGNATORIES TO AGREEMENT

Signed for and on behalf of Challenge Disability Services Ltd

BARRY MURPHY
Name (Print)

[Signature]
Signature

28/8/01
Date

Signed for and on behalf of employees

ANTHONY JAMES KEMP
Name (Print)

[Signature]
Signature

28-8-01
Date

LEANNE GOEON
Name (Print)

[Signature]
Signature

28-8-01
Date

Karen Matthews
Name (Print)

[Signature]
Signature

28/08/01
Date

MURRAY SCULLION
Name (Print)

[Signature]
Signature

28-8-01
Date



Annexure A

	Annual
Current Position before salary sacrifice	
Item 1	Current Gross Income \$30,000.00
	Current Tax \$5,980.00
Item 2	Current Net Income \$24,020.00
Salary Sacrifice Calculation	
	Gross Income \$30,000.00
	Salary Sacrifice \$10,000.00
	Taxable Income \$20,000.00
	Tax \$2,808.00
	Net Pay \$17,192.00
Item 3	Net Income after Salary Sacrifice \$27,192.00
Item 4	Tax Saving (Item 3 less Item 2) \$3,172.00
	Challenge Disability Services 30% of tax saving \$952.00
Reconciliation of salary sacrifice amount	
	Fringe Benefit Amount to be received by employee \$9,048.00
	Challenge Disability Services 30% of tax saving \$952.00
	\$10,000.00
Position after salary sacrifice	
	Net Pay \$17,192.00
	Fringe Benefit Amount to be received by employee \$9,048.00
	Total net amount available \$26,240.00
Reconciliation of increase in net amount available	
	Total net amount available after salary sacrifice \$26,240.00
	Net amount available before salary sacrifice \$24,020.00
	Increase in net amount available \$2,220.00

